

**SENATOR BOB BENNETT
RADIO NEWS CONFERENCE
(February 10, 2006)**

Participants:

**Tom Jordan, Metro News
Lincoln Brown, KVEL/KLCY in Vernal
Jennie Christensen, KVNU in Logan**

Topics Discussed:

**Budget, appropriations, 2006 elections
PILT \$, reduction in budget
Lobbying reform and earmarks
Abramoff, 2006 election
Indian tribes and lobbying
Violence over Islamic cartoons
Deficit Reduction Act
Energy boom in Uintah Basin, Rural
Business Conference
PATRIOT Act
Agriculture appropriations in Utah
Meth Money
Jill Carroll (journalist) Hostage in Iraq**

Metro: So many issues, so little time, I would like to get your take on the budget that came out this week. I've been seeing assorted comments that say because it's an election year, we may get to November with 11 appropriations bills still sitting. What is your take on it? Can something useful be done at this point about the president's budget proposal?

Sen. Bennett: Well, in terms of getting the appropriations bills done, I'm fairly optimistic that we will be able to do that. The House is determined that they are going to have them done before the August recess, and we'll do our very best to do the same on the Senate side.

Frankly, the mood in the Senate after the last election, with respect to moving these bills, is quite different. There was an attitude of obstructionism. Stop things from happening, then blame people at the end. After the election where the Republicans picked up a net four seats, that strategy seems to have disappeared. We got the bills done last year in a faster time than had been the case for about a dozen years. And this year, on the appropriations committee, there is an even greater determination that we are going to move them forward in a regular fashion.

Now, this may sound like inside baseball, and who really cares about the speed with which you move appropriations bills? Actually, it's very important for the orderly processes of government. Some of the spending excesses that we have seen in the past have come because the orderly processes were violated, and there was a sense of obstruction and delay. Now I think that's dissipating, and I look forward to getting the budget done in a logical fashion.

Now, as to the other parts of the budget, give me some more specific questions about your concerns, and I'll be glad to respond to those. Let's go to Lincoln Brown in Vernal.

Vernal: Thank you, senator. This is also a follow up to the budget question. The 2007 budget calls for what appears to be at first blush a rather substantial reduction in PILT money to western states. And I know that out here in the Uintah Basin our governments

rely on that PILT money. I know Congressman Cannon came out very strongly against this. Was this a good place to trim the fat? And if it is, how substantial a cut? What do you think the effects are going to be, and what can we do to offset those losses?

Sen. Bennett: I don't think there are going to be losses. This is a ritual dance that we seem to go through every budget. The president, regardless of who he is - it doesn't matter which party it is or who is in the White House, always sends to the Congress a PILT number that is low. And the Congress always raises it to the levels that we need. The president then can blame the Congress for being pork barrel spenders, "I'm fiscally-responsible, and those are the guys that waste your money." And the Congress says, "We're the people who have protected the rural counties."

Only one occasion since I have been here - and this will be my 14th year of dealing with these budgets - did a president send us a PILT number that was realistic. That was George W. Bush, he did it several years ago. He realized he got no political credit for it, so he's gone back to the same pattern that we saw through the Clinton years, which is: low-ball PILT; make the Congress raise it to where it ought to be; and then posture yourself in the media as being more fiscally-responsible than those spendthrifts on Capital Hill.

It is something that every administration has done for many, many years. It's going to be done again this time. We will adjust the PILT number, and don't get panicked by the president's original proposal.

Jenny Christensen, we welcome you.

Logan: We've certainly been hearing a lot about lobby reform. I'm wondering what you feel needs to be done and how you feel about earmarks.

Sen. Bennett: We'll talk about both of those. One of my colleagues, Senator Nelson from Nebraska, has a very astute observation about this. He says, "Washington is the only place I know of where when somebody breaks the law, our first reaction is, 'Let's change the law.'" We should remember that in the scandals with Jack Abramoff and others, they broke the law. They're going to jail. I think Abramoff may already be in jail, or at least he's awaiting sentencing.

So the first question you ask is how do we make things better when the current laws didn't seem to stop this? Another quote from Newt Gingrich, "You can't have a corrupt lobbyist unless you have a corrupt congressman." And clearly Duke Cunningham was a corrupt congressman. He took over \$2 million in direct bribes that are already against the law in order to do what he could for the people who were giving him the money. And both he and those people are in jail. So, there is a bit of self-delusion going on here that somehow the major problem is that the rules are not strong enough.

Now we get to this question of earmarks. They say there's a temptation for Congress to spend money in response to requests from lobbyists. For those listeners who don't understand what an earmark is, this is when the Congress writes into the

appropriation bill X amount of money will be spent for the following purpose. The money is earmarked, or tagged for a specific purpose. And it is always a purpose that was not in the president's budget.

So we go back to the conversation that I was having with Lincoln about PILT money. More money for PILT would be a congressional earmark. And the lobbyist who asked me to do it would be the mayor of Vernal, or the mayor of Cedar City, or whoever it might be. And the question becomes, is the mayor really a lobbyist? If he's not registered with Congress as a lobbyist, he's not; and therefore, he's pure. But if he comes back here and is a professional who understands the congressional system - maybe even worked here - so that his advice to me or his request to me is more professional than somebody just calling me on the phone, suddenly he's tainted. He's evil, because he knows what he is doing, while somebody calling me on the phone and saying, "Will you please do this?" is somehow pure.

Washington is sufficiently complicated that someone who understands the system is frankly very useful. We make legislation all of the time that effects people in ways we don't understand. And a professional who has worked on the Hill, understands the legislative process and is now representing a university, a state, a city, or yes, a corporation comes in and sits down and says, "Senator, this is what this legislation will actually do to us. Do you really want to do that?"

"Oh, we didn't realize it would have that effect. That's an unintended consequence. Maybe we'll change the law to keep from having that evil, bad effect." The lobbyist is performing a very worthwhile, proper solution.

So I think we probably do need a little more transparency. I think if everyone had known everything that Abramoff was up to, they would have smelled a rat a little earlier than they did. So there are various bills that are coming out. Senator McCain has one that I have looked at and I feel pretty good about. It is a bipartisan bill with Senator Lieberman. There is a bipartisan determination back here to try to get as transparent as we possibly can. But I'm not one who says we should outlaw earmarks all together. Because as I read the Constitution, the power of the purse rests with the Congress, not the president. And just because the president proposes something, the Congress should not be prohibited from changing that. And PILT frankly is a perfectly good example.

Metro: I want to just pick up for a moment on the Abramoff issue. We've got 210 members of Congress who might have had money from him in some form or other. What do you feel about the potential fallout for this coming into the election season? Is it going to be a problem, or is this something that is being overblown in the media?

Sen. Bennett: Too early to tell. Yes, I think it is something that is being overblown in the media, but that's what the media does. That's their job. If they don't have a scandalous week, they need to try to find one so they can get more viewers. I sound a little cynical there, but there is some truth to that.

On the other hand, we don't know all there is to know about Abramoff. If things are no worse than we know now, I don't think it will have an impact on the election. I think it will blow over, and people will have long since forgotten it by November. But he has a trial coming up in which he will start naming more names and telling more openly what he has done in some arenas. And in those circumstances, if there are some big surprises, yes, it could have some effect on the election.

Vernal: Senator, actually the last two questions sort of sparked one for me regarding the same issue to a certain degree. In the wake of the Abramoff conflagration, being a member of the media, I was interested to hear that many of the Indian tribes involved felt that they were now unfairly being scrutinized, and perhaps their lobbying powers being put into jeopardy because of this. In fact, one said that they were being penalized for something that they did not do. What exactly would be the role of a tribe as a lobbyist or a political action group? Because it's sort of a gray area, at least I would think.

Sen. Bennett: That is something of a loophole in the campaign finance bill where Indian tribes are excused from some of the rules that apply to other people. And that's one of the reasons why Abramoff gravitated toward the Indian tribes.

Now, frankly, I think that many of the Indian tribes were victimized by him. He went to them and told them that they had problems which in fact they didn't have, and that the problems could only be solved if they gave him very large sums of money, which they did. A little more sophistication on their part could have protected them against somebody like that. When you choose a lobbyist, you want to choose somebody who is going to be honest with you, as well as honest with the Congress.

In full disclosure, I was a lobbyist in my past life, before I came to the Congress, and I quickly learned that the greatest influence I could have in the Congress stemmed from the accuracy of the information that I gave Congress. The worst thing I could possibly have done - the thing that would end my influence back here very quickly - would be if I gave a congressman or a senator bad information that embarrassed him when he used it. My greatest influence came from giving them accurate information so that they would look on me as a source that was reliable.

So, I think that the Indian tribes have been victimized by Abramoff, and the media overreaction did that. I think that now the Indian tribes which have legitimate issues before Congress will scrutinize the background and expertise of the lobbyists that they hire a little more carefully. I think that the idea that somehow they are involved in wrongdoing will probably die down and blow away. I would certainly hope so. Many of them don't deserve the kind of abuse that they're now getting.

Logan: As you know, the violence continues over those cartoons depicting the prophet Muhammad that were first printed in Denmark. How serious do you feel this was, and what do you think can be done to stop the violence?

Sen. Bennett: The thing that I find interesting about the cartoons is that they were printed last September. The violence is coming out in January and February. People

are showing up in various places in the Muslim world burning Danish flags in protest. Well, a Danish flag is not something you stop by your local 7-11 and pick up. To have Danish flags suddenly appear all over the Muslim world, somebody had to distribute them. There is enough lag time between the publication and the outrage that suggests strongly to me that this was orchestrated, built up over a period of weeks and months. And then once everything was in place, the trigger was pulled, rhetorically speaking, and suddenly the great outrage burst out. It's orchestrated.

I've asked our intelligence services who did it. And they've said to me, "Senator, we don't know. We're going to try to find out." If it is orchestrated, as I firmly believe it is, then a whole bunch of questions come in. Is Al-Qaeda involved? Could be, it certainly serves their purpose. But these people, what is their agenda? Is it a religious agenda? Is it a political agenda? Why would they take something that for months was completely ignored, and deliberately try to incite riots, violence, and even deaths around the world? It is something we need to take seriously when you look at it with that perspective.

What can be done about it? Well, we protect our embassy. It is interesting that most of the anger is directed against the Europeans. The European Union flag has been burned. European Union offices have been stormed, as well as Danish Embassies. It is, I think, a manifestation of the clash of cultures that Samuel Huntington wrote about. He wrote a book called *The Clash of Civilizations*. I'm not sure I agree with everything he has in his book, but it very clearly demonstrates that there's a different mind set, and a different set of values between many in the Muslim world, and those of us in the West who would say, "I'm offended by that, but get over it and we'll move forward." The other thing I would say on it, when we went into Iraq - first Afghanistan then Iraq - there were many people who said, "Well, the 'Arab street' is going to rise up in protest." My wife said, "What does that mean, the 'Arab street'?" Well, it means the people who will take to the streets in the Arab world; the people who will spontaneously react. They say, "You're exciting the 'Arab street' and anti-American feeling by taking these actions." The 'Arab street' did not rise up in protest when we went into Iraq in nearly the fashion that everybody said that it would. Now, the 'Arab street,' if you will, has risen up in tremendous protest over a series of cartoons. Does this mean that to the people who are behind this, cartoons are more offensive than war? It's a very, very interesting thing to contemplate.

Metro: I think we've been seeing through a widely-held perception, certainly in the press, that the Deficit Reduction Act is sticking it to the poor and the disabled and the elderly and such, and giving breaks to the fat cats or whatever. Is this a misperception? And what do you think can be done to counter that in terms of the complexity deficit reduction has to operate?

Sen. Bennett: I think it's a misperception. I think it's a blatant misrepresentation. But you say, what can be done to counter it? As I do my best to lay out the facts from the budget itself, quite frankly, most media outlets respond to that with a fairly large yawn. Washington is the only place I know of where when you spend more this year than you spent last year, it's called a cut.

Let me give you an example. In the Deficit Reduction Act, we “cut” Medicaid, and everybody’s horrified at that, “You’re cutting Medicaid while you are giving tax breaks to the very wealthy.” That’s the litany that is given us. Here are the facts. Medicaid was scheduled, if nothing was done legislatively, to grow by 41 percent over a five-year period. And in that bill, we put a lid on that rate of growth and said, “Medicaid will only be allowed to grow 39 percent over that period.” So we’re “cutting Medicaid.” You see? There was a projection of a 41percent growth. We say a 41 percent growth is not sustainable. And so, we’re going to allow it to grow, and at a very rapid rate. 39 percent is not cheap. But because we had cut it back from the projected 41 to a projected 39, somehow, we are interpreted as making actual cuts - that is, less money in the hands of people. So as I say, it is the only place where when you spend more this year than you spent last year, you are cutting. What you are really cutting is, you’re spending less than somebody anticipated that you might.

Now, I’ve had my staff do some studies in the Joint Economic Committee on this idea that the wealthy are doing extremely well under the Bush tax cuts. I can’t put the charts on the radio and walk you through them, but in fact, you have an historic chart of how well the wealthy are doing with respect to the rest of the economy, and it does rise rapidly – the wealthy’s share rises rapidly through the 1990s and peaks in 2001, and has been coming down ever since. Now that’s very interesting, because that was when the Bush administration came into office. The reason it fell is we had the recession, and the people who got hurt the most by the cutback in the recession in terms of their share of national wealth were the rich. And interestingly enough, the major turn around in seeing incomes rise occurred in 2003. Now, this is incomes for everyone, but it is incomes in the middle-class more than the top 10 percent. And 2003 was the date when the Bush tax cuts became effective. They were passed earlier, but they didn’t take effect until 2003. That’s when the economy started taking off. That’s when the middle-class’ share of the income started going up. The facts just don’t justify the idea that we are rewarding the wealthy and taking money out of the mouths of the poor.

Vernal: Yes, senator. We’ll lead with things a little bit close to home this time around. We’re looking forward to having you come out and visit us in April for the Rural Business Conference.

Sen. Bennett: Yes, I’m looking forward to that as well.

Vernal: And it is nearing a related issue. We are of course in the midst of a tremendous energy boom here right now. And I think that is due in large part to the president’s energy bill that he passed. And my question to you is sort of two parts. Number one, many people remember the last boom that we had, and remember less fondly the months that followed. And my question to you is, how sustainable will our current energy production be? Are we looking forward to another boom or bust economy? And alongside of that, whether there is a bust or not, what can we do as far as ancillary businesses, ancillary issues to keep the Uintah Basin economically sound?

Sen. Bennett: Well you’re asking the right question and you’re focusing on the right area. As delightful as the boom may be, you need to do everything you can to see to it that economic growth across the board is balanced. And that’s one of the reasons

we're holding our Rural Business Conference in Vernal this year. We've held it previously in Cedar City, St. George, Richfield, and Price, and we're happy to bring it to Vernal this year. One of the panelists in the breakout session is Melissa Blake, who is the mayor of Fort McMurray in Alberta, Canada. And you say, "Why are you bringing a Canadian mayor to Vernal?" Because Fort McMurray had a tremendous energy boom, and she experienced the community impact there. She's coming to Vernal to discuss what happened there, and give you some tips and guidance as to what can happen now out in the Uintah Basin.

Of course, we're also going to have Kathleen Clark, who is the director of the BLM, out there to meet with people on land use issues, and our keynote speaker will be JoAnn Wagner who is the CEO of SOS staffing. The keynotes are always interesting. We've had Meg Whitman from eBay and the president of Dell Computers, Kevin Rollins, and we're very happy that we've got JoAnn coming. She's in that same league, and I think you're all going to enjoy it.

Back to the question. Are we going to have a downturn at the end of the boom? Nobody really knows. It has to do with the price of oil. Right now the suggestion is that the price of oil will stay in the \$60 a barrel arena for quite some period of time. And if that's the case, then long-term development of the oil resources out in the Basin will take place, and you will have stability for the long-term. What happened last time is that the Saudis and others looked around and said, "Wait a minute. By holding the price of oil high, we are holding up an umbrella that allows people like the folks in Vernal to come into the market. We'd like to drive them out of the market," and they brought the price of oil back down. They still have the ability to do that. I don't think they will, but that would be the only thing that would cause this boom to become another bust.

But come to the conference everybody and listen to what the mayor has to say.

Logan: How does it look for the passage of the PATRIOT Act?

Sen. Bennett: The deal has been made. We will do the PATRIOT Act next week, probably unanimously. That was all worked out last night. I don't have all of the specifics in front of me, because I heard about this just this morning. But we will gather back in session next week. The White House, the Democrats, the Senate Republicans, we've got a deal. I'm not sure the House will be completely happy with it. Again, I don't have all of the details before me, but I think the Senate put in a few more changes in the law than some members of the House might like. It will get done.

Sen. Bennett: We have time for a very quick question from each one, and I'll try to give you a quick answer. Tom?

Metro: Okay, you're chairman in agricultural appropriations. Is anything good coming for Utah in general? And also, what about the subsidies for sugar that are causing a lot of international comment? Anything you can say quickly on that?

Sen. Bennett: Well, we will do what we can in a very, very tight budget year to see that the excellent programs going forward at Utah State University will continue to

be supported. The issue of what to do about sugar belongs in the authorizing committee rather than the appropriations committee. I'll let Senator Chambliss and the authorizers worry about that one. I'm not quite sure where they'll be going on it, but that's not one that we'll have to deal with.

Vernal: Yes, senator. Last year you were very effective in passing a substantial package for law enforcement to combat methamphetamine, particularly here in the Uintah Basin. I was wondering if you could give us an update on the status of that.

Sen. Bennett: We are going to do, again, everything we can in a tight budget year to see that that support continues. Meth has turned into the new devastating drug. It's relatively easy to make, and it has an absolutely terrifying impact on those who take it. So, yes, we did what we could, and we're going to continue to push in that direction in the coming Congress.

Logan: I'm just wondering how you feel the journalist who has been abducted will come out. Is the U.S. doing anything or should we do anything to help win her release?

Sen. Bennett: That's not a congressional issue, so I'm an observer just like you. I'm sure the administration is doing everything they appropriately can. The basic principal, however, that you do not negotiate with terrorists still will apply. So, the efforts are being put forward through diplomatic means. I'm sure the people on the ground are doing everything they can to apply whatever appropriate military pressure might be available. But I don't think that anybody will sit down and say, "Okay, let's make a deal. Let's negotiate." Because that simply strengthens the hands of the terrorists and makes them want to kidnap that many more people in the future. Our hearts all go out to her and her family, and we hope and pray for a worthwhile solution to this one.

This is Senator Bob Bennett from Washington, thanking everyone. We'll be back to you at a future time for another statewide radio news conference. Thank you all.